

Sitting No. 11/62.

Cabinet's Meeting held at the Auberge
d'Oron, Valletta, on Wednesday, 10th October,
1962, at 6 pm.

Present: The Hon. Prime Minister and Minister
of Economic Planning & Finance
The Hon. Minister of Industrial Development
& Commerce.

The Hon. Minister of Education.

The Hon. Minister of Agriculture, Power
& Communications.

The Hon. Minister of Justice.

The Hon. Minister of Works and Housing.

The Hon. Minister of Labour & Social
Welfare.

The Hon. Minister of Health.

The minutes of Meeting No. 10/62
were read and confirmed.

71441.536/58/229. Application by Messrs. The Dolphin Forge (Exports)
for assistance under the Order to Industries
Ordinance (No. 12).

It was explained that
the assistance was sought for the expansion,
for exports to the United Kingdom and
possibly to West Africa, of applicants'
current production of ornamental and
artistic wrought-iron articles at their
workshops in Pietà.

The Cabinet agreed that

H.E. the Governor be advised to approve the following aid to this firm, which had been recommended by the Aids to Industries Board:

a) Income tax relief on profits derived from exports for a period of ten years:

b) Exemption from Customs duty under Section 7(1) of the Aids to Industries Ordinance for a period of three years. The dates of commencement of the Exemption orders will be decided at a later stage by the Chairman, Aids to Industries Board, in the light of the expected date of first production of the expansion projects:

c) a grant of 33 1/3% of capital equipment, payments of which will be tied to exports and employment performance.

0241/536/58/116. Application by Messrs. F. Bellacchio & Sons for assistance under the Aids to Industries Ordinance (Memo. No 13).

Mr. S. Huggi, Director of Industrial Development, was in attendance.

This firm is at present engaged in the manufacture of glass fibre boats, baths and sinks and propose to extend their activities to cover garage doors, window frames, kitchen furniture, translucent sheeting all of glass fibre, and also sheets metal garage doors.

assistance is sought for the expansion of the firm's current manufacturing business.

The Cabinet agreed that H.C. the Governor be advised to approve the following aid which was to be limited to Messrs. Baldacchino's total ^{export} production. This aid had been recommended by the Aids to Industries Board:-

- a) Income tax relief under section 6 of the Aids to Industries Ordinance for ten years.
- b) Exemption from Customs duty under section 4(1) of the Aids to Industries Ordinance for three years;
- c) Removal of Customs duty on glass fibre for industrial purposes on Methyl Ethyl Ketone Peroxide, Dimethyl Phthalate and Cobalt Naphthenate;
- d) A grant of 33 1/3% up to a maximum of £2,912, tied to exports and employment;
- e) Grant back arrangements, as required, in the usual manner.

OPP. 1252/62.

Application by Messrs. Scettle Limited for assistance under the Aids to Industries Ordinance (Deno. No. 14).
Mr. J. Pollicco, Chairman of the Malta Government Council Board, was in attendance.

The Cabinet again considered this application which had been filed with the Malta Government Council Board. Assistance was sought to convert Salva Palace into an

exclusive small hotel with ancillary amenities, including a large restaurant. Applicants also planned to increase the accommodation available within the Palace. The total costs of the conversion was stated to be in the region of £50,000. The Company also stated estimated an employment figure of 30.

The Cabinet agreed that H.C. the Governor be advised to accept the recommendations of the Malta Government's Economic Board, namely:

a) Income Tax relief under Section 6 of the Acts to Industries Advancement for a period of ten years;

b) Customs duty exemption under Section 7(1) of the Acts to Industries Advancement on constructional equipments and material and on hotel operational equipments, including furniture;

c) The extension of electricity to Selman Palace at the expense of the Government.

H.C. 66/60 Unpaid T.V. Licences. (Memo No 16)

The Cabinet was again informed that out of 15,633 registrations by persons owning a TV set, 13,907 were already paid up leaving 1,726 licences for which no payments had been received. Hon. Ministers were asked to consider whether instructions should be issued for the

collection of the licence fees in respect of the 1966 registrations which were still uncovered. It was suggested that this could be done by reminders being sent and the licence holders being pressed to effect the necessary payments. The Cabinet considered this matter from all aspects, both financial and political, and decided that it should be considered further at a later date.

Sec. 353/62. United Kingdom Commissioner. Immunity from Income Tax (Memo. Co. 17)

The Cabinet again considered the application made by the United Kingdom Commissioner for immunity from income tax in Malta by virtue of section 29 of the Malta (Constitution) Order in Council 1961.

The Commissioner of Inland Revenue had stated that the exemption provisions of the Income Tax Act did not include the United Kingdom Commissioner, and in order to avoid amending the Act, suggested that H.C. the Governor be asked to grant exemption under section 8(2) of the Act.

The Attorney General felt that it would be safe to operate under section 8(2) and section 50 of the Income Tax Act.

The Cabinet agreed that the United Kingdom Commissioner should be

exempt from the payments of income tax in Malta. It was, however, left to the Hon. Prime Minister to decide whether exemption should be granted under Section 8(2) and 80 of the Income Tax Acts or whether the United Kingdom Commission should be included in the exemption provisions of the Acts.

Sec. 210/62. Permission to Messrs. Shell Co. (Malta) Ltd. to operate a Bonded Store at their new Harbour Installations (Demo. No. 26).
Mr. A. Camilleri, Comptroller of Customs, was in attendance.

Consideration of this application was postponed as the Comptroller of Customs wished to revise the Order which was to be signed by His Excellency the Governor.

C.H. 566/62. Applications for Assistance under the Aids to Industrial Advancement. General Authority to the Hon. M.H.S.T. to advise the Governor direct. (Demo. No. 35).
Mr. S. Maggi, Director of Industrial Development, was in attendance.

It was explained that under the present circumstances, with the Governor as the approving authority, applications for assistance under the Aids to Industrial

Advances were in all cases passing through the Cabinet. It was necessary that these applications should be dealt with as expeditiously as possible, and for this purpose it was suggested that in cases where the ^{Hon.} Minister for Industrial Development & Tourism agreed with the recommendations of the Aids to Industries Board and the Industrial Development Board, the Minister should be granted general authority to advise the Governor direct, for the purposes of subsection (1) of section 31 of the Constitution.

It was agreed that applications for assistance under the Aids to Industries Ordinance need not in future be considered by the Cabinet as a whole. It was decided that the Hon. Minister of Industrial Development and Tourism should have the general authority of the Cabinet to advise His Excellency the Governor on such applications. This advice is to be passed to His Excellency through the Hon. Prime Minister.

CPH. 567/62.

Customs Duty Exemption Aides issued under section 13 of the Imports & Exports Duties Ordinance. General Authority to Hon. M.D.S. to advise the Governor direct. (Memo. No 36).

It was stated that in pursuance of the policy of the Government to promote industrial development, it was often necessary to exempt from

customs duty the raw materials required for a local industry. Such exemptions involved an amendment to the Customs tariff which implied a lengthy procedure in the Legislative Assembly. In order to save time it was proposed to give effect to the exemptions from duty by an exemption order issued under section 13 of the Imports & Exports Duties Ordinance. This order would enable the Government to bridge the gap until the necessary legislation was enacted.

To cut delays even further it was agreed that in future the Hon. Minister of Industrial Development & Tourism should have the general authority of the Cabinet to submit Customs Exemption Orders issued under section 13 of the Imports & Exports Duties Ordinance to H.C. the Governor directly without the necessity of consulting the Cabinet as a whole.

Edward Debono

Prime Minister

27.10.62

Charles
Secretary to Cabinet.

27.10.62